



Is College Worth the Cost?

According to a cover story in *Newsweek* of September 17, 2012, there is a “college bubble” much like the housing bubble; one that defies economic reality. The opening paragraph states:

Mythomania about college has turned getting a degree into an American neurosis. It’s sending parents to the poorhouse and saddling students with a backpack full of debt that doesn’t even guarantee a good job in the end.



All of which reminds us of the student during the second Romney-Obama debate who complained to the candidates that he was a recent college graduate and couldn’t find a job. He wanted to know what either of them could do for him. Indeed, Governor Romney pointed out that fifty percent of college graduates can’t find jobs. But he promised to do all in his power as president to expand the economy so that there would be jobs available for graduates like the questioner.

But who knows how long that will take? Meanwhile, a lot of kids out of high school want to go to college because they’ve been told that a college degree is a credential that will help them get a good job. Megan McArdle, author of the *Newsweek* article, writes:

More than half of all recent graduates are unemployed or in jobs that do not require a degree, and the amount of student loan debt carried by households has more than quintupled since 1999. These graduates were told that a diploma was all they needed to succeed.... For many the most tangible result of their four years is the loan payments, which now average hundreds of dollars a month on loan balances in the tens of thousands.

But one of the reasons why college has become so expensive is that it is being subsidized by government eager to guarantee student loans. President Obama is so keen on helping students get into college that he has proposed getting the federal government into the student loan business by eliminating private-bank middlemen. That would not only increase the cost of college but give the federal government the power to govern the colleges, another unconstitutional expansion of federal power.

Obama has succeeded in a federal takeover of the medical industry through ObamaCare, and he has taken control of two of America’s great automobile makers. As a socialist he is in favor of a complete government takeover of the education industry through Race to the Top, a Common Core Standards system, and a government student loan takeover.

According to Donald Marron, a private equity investor, a college degree is a good investment. “You’ve got that with you for your whole life,” he says. “It’s a real imprimatur that’s with you, as well as access to all these relationships.” Of course, that’s true if you’ve gone to one of the prestigious ivy-league schools like Harvard, Yale, and Princeton. Belonging to that kind of club can open doors in the future. Fraternities and secret societies like Skull and Bones at Yale can be of great help when you need investors for a start-up business. But if you’re a graduate of a nondescript community college, you may



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not want to stay in contact with your fellow alumni.

And why have college costs risen so much? McArdle writes:

Eighteen-year-olds demand amenities — high-speed Internet, well-upholstered classrooms, world-class fitness facilities — and in order to stay competitive, college administrators happily provide them. Then they raise the tuition for which the 18-year-olds are obediently borrowing the money.

Many of these colleges are like posh resorts with students buying themselves a four-year vacation from economic reality and the future responsibilities of adulthood. Washington State University's Student Recreation Center has a roller-hockey rink and a jacuzzi that can fit up to 53 people. Indiana University of Pennsylvania has a virtual golf course that uses projection screens to immerse players in the game. Bowdoin College serves gourmet meals, including sushi, in its dining hall.

According to the authors of *Academically Adrift*, Richard Arum and Josipa Roksa, at least a third of students gain no measurable skills during their four years in college. For the remainder who do, the gains are usually minimal. But, of course, what you get out of college has a lot to do with what profession you want to pursue. McArdle writes:

It's very easy to spend four years majoring in English literature and beer pong and come out no more employable than you were before you went in. Conversely, chemical engineers straight out of school can easily make triple or quadruple the wages of an entry-level high-school graduate.

And as we know, high-tech industries are having a tough time filling jobs with the kind of graduates the colleges are turning out these days. Math and science skills are simply not being taught in the high schools and colleges to students who can barely read. The miserable education that is being given to kids in K-12 schools is what makes college so problematic for these ill-prepared youngsters. They go to college in the hope that somehow they will learn something. But their reading handicap usually forces them to quit.

According to the *Washington Post* of May 28, 2012, about 30 percent of college students who managed to get loans drop out after failing to make academic progress, resulting in former students with plenty of debt but without the credential they had hoped to obtain. The number of students in that category is increasing, and many of them wind up defaulting on their loans. The article states:

The plight of "non-completers" has grown in magnitude as [student debt tops \\$1 trillion](#), according to the Consumer Financial Protection Bureau. In addition, the sputtering economy has forced a growing number of students to make difficult choices between the benefits of a degree and the burden of paying for it. More students are balancing their studies with full- or part-time jobs or signing up for a reduced course load to save money, increasing the likelihood that they will not graduate.

It also appears that because it is believed that a college degree has become such a career necessity, enrollment during the last ten years has greatly increased so that many new for-profit colleges have come into existence to handle the millions of potential students. The debt burden incurred for that bachelor's degree is usually over \$40,000, the price of a nice new car. The article further states:

Not only do their students amass more debt, but for-profit colleges also saw the biggest jump in borrowers who drop out, although every type of institution saw increases. A study by the Education Sector found that more than half of students who take out loans to enroll in four-year for-profit colleges never finish. At traditional nonprofit and public schools, the percentage of students with



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loans who started college in 2003 and dropped out within six years is about 20 percent.

Incredible as it may seem, there is also a website called The College Dropout Hall of Fame. It provides some timely advice to students contemplating going to college. It points out that many famous and successful people were high school or college dropouts. The website states:

I'm a firm believer that most college students would be better off dropping out of school and investing the money they now spend on college. Then take the four years they would have spent on college and travel, work, play, and spend time with smart people talking about important things. It would be your choice on what's important, not a professor, not a dean, not a faculty committee.

You don't have to go to college to be a success. Even if you go for awhile, you don't have to graduate to be a success. Here are just a few of the people who have become famous and/or successful without graduating from college and/or high school.

The website then lists several hundred successful individuals who were high-school and/or college dropouts. They include actor Ben Affleck, tennis player Andre Agassi, casino owner Sheldon Adelson, actor Warren Beatty, TV commentator Glenn Beck, entrepreneur Richard Branson, actors Tom Cruise, James Dean, Johnny Depp, Brad Pitt, Marilyn Monroe, and Clint Eastwood, animator Walt Disney, Microsoft founder Bill Gates, Facebook founder Mark Zuckerberg, Apple founder Steve Jobs, commentator Sean Hannity, actor Dustin Hoffman, designer Ralph Lauren, radio commentator Rush Limbaugh, singer Frank Sinatra and many, many more listed alphabetically.

According to Wikipedia:

The average net worth of billionaires who dropped out of college, \$9.4 billion, is approximately triple that of billionaires with Ph.D.s, \$3.2 billion. Even if you remove the world's second richest man, Bill Gates, who left Harvard University and is now worth \$59.0 billion, college dropouts are worth \$5.3 billion on average, compared to those who finished only bachelor's degrees, who are worth \$2.9 billion. According to a recent report from Cambridge, Mass.-based Forrester Research, 20% of America's millionaires never attended college.

Of course, all of these extraordinary college dropouts were self-motivated individuals, driven by a sense of purpose, which is something you are either born with or acquired through a spiritual force or calling. That is why it is useful to read the biographies of these self-motivated human beings who not only create great wealth for themselves but also create values that improve the lives of millions of other human beings.

So, the question still is: Is college worth the cost? It all depends on what your aim in life is. Taking a hiatus between high school and college doesn't mean you may not at some later date decide to take some relevant college courses. Many individuals develop an interest in a field of work while in high school and can't wait to be free to pursue that interest. But there is no reason to waste four yours in college and incur a huge debt just to get a degree. But since millions of high school graduates have no idea what they want to do with the rest of their lives, four years in college may somehow help them find a future career to their liking.

But if you are one of the millions of young Americans handicapped by a wretched public school miseducation, college may be a nice way of postponing your brutal confrontation with reality when the four years are over.



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